

Exhibit C

BUDD LARNER

A PROFESSIONAL CORPORATION

COUNSELLORS AT LAW

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E-mail: JLeonard@budd-larner.com

RECEIVED

JAN 03 2005

ARGONAUT INSURANCE

December 30, 2004

DEMAND FOR ARBITRATION

BY TELECOPIER AND CERTIFIED MAIL
RETURN RECEIPT REQUESTED

Argonaut Insurance Co.
c/o Insurance Runoff Consultants
8750 West Bryn Mawr, Suite 1300
Chicago, Illinois 60631

Attention: Mr. Donald J. Buyck

Re: In the Matter of the Arbitration Between Gerling
Global Reinsurance Corp. - U.S. Branch and
Argonaut Insurance Co.
Retrocessional billings in respect of AIG and
Home Commutations
Excess Per Risk Facultative Casualty Contract
First Excess Facultative Casualty Contract
Fourth Excess Facultative Casualty Contract
First Surplus Contract
Quota Share Contract

Dear Mr. Buyck:

This firm is counsel to Gerling Global Reinsurance Corp. - U.S. Branch ("U.S. Branch"), located at 1345 Avenue of the Americas, New York, New York. U.S. Branch hereby gives notice of its intent to arbitrate against Argonaut Insurance Co. ("Argonaut") all disputed issues relating to U.S. Branch's claims for payments of outstanding retrocessional balances owed to it by Argonaut in connection with U.S. Branch's commutations with its cedents, the American International Group Companies ("AIG") and Home Insurance

NEW YORK

CHERRY HILL

SHORT HILLS

PHILADELPHIA

ATLANTA

ARGO XOL 10005

BUDD LARNER
A PROFESSIONAL CORPORATION

Argonaut Insurance Co.
December 30, 2004
Page 2

Company ("Home"). The outstanding balances owed to U.S. Branch by Argonaut in respect of the AIG commutation are as follows:

<u>Contract</u>	<u>Amount</u>
Excess Per Risk Facultative Casualty Contract	\$491,048.99
First Excess Facultative Casualty Contract	\$302,863.55
Fourth Excess Facultative Casualty Contract	\$ 37,270.63
First Surplus Contract	\$ <u>96,118.81</u>
Total in respect of AIG Commutation	\$927,301.98

The outstanding balances owed to U.S. Branch by Argonaut in respect of the Home commutation are as follows:

<u>Contract</u>	<u>Amount</u>
Excess Per Risk Facultative Casualty Contract	\$ 692,471.64
Quota Share Contract	\$ 239,022.79
First Excess Facultative Casualty Contract	\$1,402,970.52
Fourth Excess Facultative Casualty Contract	\$ 26,729.75
First Surplus Facultative Casualty Contract	\$ <u>159,457.48</u>
Total in respect of Home Commutation	\$ <u>2,520,652.18</u>
Grand total in respect of both commutations	\$3,447,954.16

U.S. Branch will also seek pre-hearing security for the full amount due and an award of interest, attorney's fees and other appropriate relief.

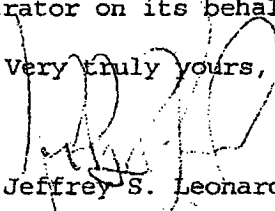
Unless Argonaut applies to stay this arbitration within twenty (20) days after service of this demand, Argonaut shall thereafter be precluded from objecting that a valid agreement was not made or has not been complied with and from asserting in court the bar of a limitation of time.

BUDD LARNER
A PROFESSIONAL CORPORATION

Argonaut Insurance Co.
December 30, 2004
Page 3

U.S. Branch hereby demands that Argonaut appoint and identify its arbitrator within thirty (30) days. In the event that Argonaut fails to appoint and identify its arbitrator within that time, U.S. Branch will appoint Argonaut's arbitrator on its behalf.

Very truly yours,


Jeffrey S. Leonard

JSL/pl:531592w

cc: Joseph J. Schiavone, Esq.
Marc I. Bressman, Esq.

ARGO XOL 10007

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JAN 19 2005

ARGONAUT INSURANCE

January 10, 2005

AMENDED DEMAND FOR ARBITRATION

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NEW YORK

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Argonaut Insurance Co.
January 10, 2005
Page 2

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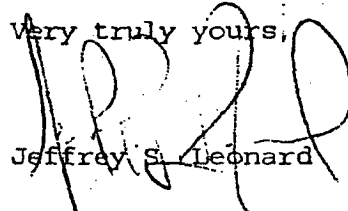
U.S. Branch hereby appoints Richard L. White as its arbitrator. Mr. White's CV is attached.

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A PROFESSIONAL CORPORATION

Argonaut Insurance Co.
January 10, 2005
Page 3

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Jeffrey S. Leonard

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Enclosure

cc: Joseph J. Schiavone, Esq.
Marc I. Bressman, Esq.
Mr. Richard L. White

ARGO XOL 09976